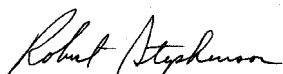


For: State and County Offices

**Clarification for 2000 Crop Honey Nonrecourse Marketing Assistance Loan and
Loan Deficiency Payments (LDP) Program Disbursements**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (the 2001 Act) provided for the availability of Nonrecourse Marketing Assistance Loans and LDP's to producers of 2000 crop honey.

Notice:

- LP-1769 provided program policy and procedures for 2000 crop Honey Nonrecourse Marketing Assistance Loans and LDP's
- LP-1774 authorized disbursement for 2000 crop Honey Marketing Assistance Loans and LDP's.

B

Purpose

This notice provides:

- April's repayment and LDP rates
- clarification for 2000 crop Honey Nonrecourse Marketing Assistance Loans and LDP's.

Disposal Date	Distribution
May 1, 2001	State Offices; State Offices relay to County Offices

2 General Information

A

Commodity Certificate

To minimize forfeiture for 2000 crop Honey Marketing Assistance Loans, CCC has authorized the use of commodity certificates, according to 8-LP, Part 9, Section 8.

Record the commodity certificate exchange and loan redemption when software has been modified.

B

CCC-697

Producers may request to lock in a 2000 crop Honey Nonrecourse Marketing Assistance Loan repayment rate on CCC-697 according to 8-LP.

C

Premiums and Discounts

Premiums and discounts will apply to 2000 crop Honey Nonrecourse Marketing Assistance loans at the time of forfeiture.

A future notice will provide the premiums and discounts.

D

Container Requirements

A County Office representative must ensure during the pre-loan inspections that all containers have been properly identified and labeled by the producer with the following:

- producer's name
 - type of honey
 - number of containers
 - net weight.
-

3 Compliance

A

Spot Checks

2000 crop Honey Nonrecourse Marketing Assistance Loans and LDP's are subject to normal spot check procedures according to 8-LP.

B

Production Evidence

Production evidence is required for loan quantity or LDP selected for spot check as follows:

- loans repaid at a rate less than principal, plus interest, under the marketing loan provisions and only for the quantity repaid on which the producer earned a market gain
 - certified LDP.
-

C

Production Evidence Not Required

Production evidence is not required for any loan or LDP that is not selected for spot check.

Outstanding loans repaid under the CCC-681-1 provisions are not subject to spot check if delivery or production evidence was submitted at the time of repayment.

LDP's are not subject to spot check if production evidence was submitted at time of request for LDP's.

D

Acceptable Types

Acceptable types of production evidence are:

- evidence of sales
- delivery evidence
- loan summaries from buyer
- paid measurement service.

Production evidence may be handwritten, but is not acceptable for any type of production evidence submitted by the producer for the producer's own production.

Continued on the next page

3 Compliance (Continued)

E

Requirements

All production evidence submitted must show the following information:

- producer's name
- crop year certified or provided by the producer
- net weight
- class
- date of sale, if honey was sold
- proof of payment from buyer, if honey was sold.

Note: Proof of payment can be settlement records or copy of check.

F

Production Evidence for Fed Quantities

Production evidence for fed quantity is either of the following:

- paid measurement service
- self certification, maximum quantity allowed.

The maximum quantity allowed is based on 4 lbs. of honey fed to each colony on a monthly basis.

Example: Producer has 150 colonies, which were fed during February, March, and April. Producers will be eligible for a maximum of 1,800 lbs. of fed honey.

Use the LDP rate in effect for the month that the honey was extracted.

G

Good Faith Determinations

Good faith determinations are necessary for any quantity that is **not** within tolerance.

H

Repayment and LDP Rates

Following are the repayment and LDP rates for April 2001.

Repayment Rate Cents/Pounds	LDP Rate Cents/Pounds
51.0	14.0
